

review article

A political approach to the Greek Health Care finances, and the public/private mix: a hint of hidden inequalities?

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ABSTRACT

Background

Analysis of macro-economic indicators is a main element of economic evaluation of health care systems, as to investigate inequalities either among regions, or among sources of health care finance and sectors of care delivery, alongside other social issues. The main purpose of this paper is to examine health expenditures that have continuously increased both in Greece and internationally, despite continuous measures and reforms, in the framework of a party political context alongside the public/private mix in financing health care. The material of this review comes out of national and international data bases.

Results

The results notice that public financing has remained almost stable, while private financing has gone up. This has occurred under governance of both parties in the years leading to and just following the EMU effort.

Keywords: health care system, financing, inequalities, public/private mix, political parties.

INTRODUCTION

Evaluation of health systems based upon their funding constitutes a wide area of international academic interest. On the other hand, politics, both in the sense of party politics and that of setting major political goals such as the EMU, may play a key role in health care financing.

It should be additionally noted that indicative conclusions from the relevant bibliography show that health expenditure is expected to increase further in the near future.¹ This increase will not only have consequences for the economy in general, but will also trigger difficulties in the management of health care provision and its financing by the state and the Social Security Funds, despite the role of the state being generally thought to develop effective macroeconomic policy, to health - directly-, and to social security - indirectly-.

Notwithstanding the difficulties in recording the respective statistical data², this article attempts an approach to the Greek Health System regarding inter alia expansion or contraction and growth or shrinkage in the restrictive environment of the EMU pursuit, in order to deduce relevant conclusions and put forward a proposal which would ameliorate some of its problems alongside making some comments about the public/private mix, within a party political context.

MATERIALS, METHODS AND RESULTS

International Macro-economic Evaluation based on GDP Analysis

Health expenditure currently exceeds 9.2% of the GDP in OECD member states. During the 1974 - 1984 decade there was an impressive rise from 5.7% of the GDP in 1974 to 7.1% in 1982, viz., an overall increase of 25% as seen in table 1 (OECD 2006).

The next decade (1984 - 1994) also found health expenditure rising, which, though, was 50% less than that of the previous decade. Finally, in the last ten years expenditure stabilized at the same level of +14% as in the previous one. This trend can be largely attributed to the various cost containment measures that many OECD member states have taken predominantly to improve the efficiency of their health systems. Differences among countries are significant and variously substantiated as some countries have lagged behind whereas others have shown progress in terms of funding.

During this 20-year period, it is quite evident that Greece attempted to cover lost ground (caused by a multiple of problems related both to its pre and post war adverse political history) since health expenditure increased by 15% from 1974 to 1984 and by 37% from 1984 to 1994, the latter being one of the highest percentages recorded (Table 1). This boom appears not to be in real terms; rather it is due to the restructuring of Special Accounts just before entry into the European Economic & Monetary Union. A more realistic estimation would be an increase of 7.4% in 1996 and 7.7% in 2005 with an additional percentage of 1.5% credited to underground economy³ which has gone over 2% with the recent GDP revision, i.e., an approximate total of 10%.

However, it has been proven that the level of health expenditure, the growth of health systems and the general socio-economic development of a country are interrelated.⁴

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